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UNCLAS SECTION 01 OF 02 ALMATY 000188

SIPDIS

DTRA FOR SHAWN CALI (CTB)
STATE FOR EUR/PRA, ISN/PTR
NSC FOR M.A. HAYWARD
EUCOM J5-N FOR COL AIRIS, DTRA LNO

SENSITIVE

E.O. 12958: N/A

TAGS: [OTRA](#) [PARM](#) [KZ](#) [POLITICAL](#) [DTRO](#)

SUBJECT: KAZAKHSTAN: REQUEST TO REMOVE EQUIPMENT PROVIDED
UNDER THE COOPERATIVE THREAT REDUCTION PROGRAM

1. (SBU) On January 6, Embassy Almaty received a diplomatic note from the Ministry of Foreign affairs requesting that the U.S. Government take steps to remove equipment provided under the Cooperative Threat Reduction (CTR) program's former Defense Conversion program. The equipment is a production line for manufacturing tablets, which was given to JSC "Biomedpreparat" in Stepnogorsk in 1997.

2. (SBU) Unofficial translation follows:

//BEGIN TEXT//

The Ministry of Foreign Affairs of the Republic of Kazakhstan presents its compliments to the Embassy of the United States of America and has the honor to convey the following information.

In 1997, the government of the United States made a grant in the amount of \$2.7 million to the firm Allen and Associates so that they could carry out a conversion project under the Nunn-Lugar program that would, in essence, establish pharmaceutical production at JSC "Biomedpreparat" (Stepnogorsk, company no. 261,277).

To this end, "Allen and Associates" delivered to the Kazakhstani side a tablet production line for some 50 pharmaceuticals owned by the pharmaceutical companies "IKN-Galenika" (Yugoslavia) and "Pharachim" (Bulgaria), the value of which was assessed by the American side as \$900,000. Foreign partners delivered this equipment to JSC "Biomedpreparat" without financial support, necessary maintenance service, and technical support. Moreover, experts from OJSC "Uralbiopharm" (Russia), pharmaceutical manufacturers in Ukraine, and the Kazakhstani Ministry of Health have concluded that the production of pharmaceuticals (in tablet form) cannot be carried out on the equipment for the following reasons:

- Lack of assembly and start-up documents
- Lack of equipment for granulation of the primary mass for subsequent pre-forming
- Lack of equipment to produce the tablets
- Unsuitability of the equipment for future production
- Incompatibility of subsystems within the overall production line
- Lack of documentation concerning the operational ability of the equipment
- Lack of warranty on the part of the vendor with regard to the presale preparation of the equipment
- Incomplete, used and outdated equipment

In particular, during the technical examination of the equipment it was noted that the machine for blister-packing the tablets and the line for packaging ready-made tablets into vials was manufactured in 1987. The dust-removal machine, dust separator, tablet encapsulation boiler, and press machines were manufactured in 1957.

According to the experts from JSC "Uralbiopharm," the conclusion is that the tablet production line does not meet the requirements of modern technology. This equipment is very old and was in use for more than 10 years at a plant in Yugoslavia before it was dismantled and brought to Kazakhstan. It has been in the storage facility at "Biomedpreparat" since the equipment was received.

The Ministry of Education and Science has repeatedly conveyed to representatives of the U.S. Secretary of Defense during the course of official meetings (including Gen. Thomas Kuenning, Mr. Andrew Weber) that the tablet production line is not complete, is defective, and is outdated. The American side has promised to provide financial and technical support. However, to date, no such measures have been taken.

Considering the aforementioned information, the Ministry of Education and Science proposes that it will not consider the delivery of this equipment as assistance on the part of the

U.S. government to Kazakhstan, and considers the return of this equipment to the provider to be necessary.

The same proposal was made by the Committee of International Affairs, Defense, and Security of the Mazhilis of the Parliament while drafting the law pertaining to the Republic of Kazakhstan joining the Convention to Ban Exploitation, Production, and Storage of Biological and Toxic Weapons and their Destruction.

The issue regarding the return of the equipment to the United States has already been discussed within the Interagency Workgroup for realization of the Biological Weapons Proliferation Prevention program.

The Ministry of Foreign Affairs requests that this information be conveyed to the appropriate U.S. agencies regarding the return of the aforementioned equipment to the providers.

The Ministry avails itself of this opportunity to renew to the Embassy the assurances of its highest consideration.

//End Text of Unofficial Translation//

13. (U) POCs for this action are DTRO-A Staff Laura Smiley and Anne Post; Office Tel. (from the U.S.) 011-7-3272-50-49-76; Fax 011-7-3272-50-24-77; Mobile tel. 011-7-327-333-223-08-64; E-mail: AlmatyDTRO@state.gov

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